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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. 05 CV 01114 JW MDL No. 1665 **[PROPOSED] ORDER GRANTING PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S MOTION FOR SUMMARY JUDGMENT PURSUANT TO FED.R.CIV.P. 56 ON ACACIA'S PATENT INFRINGEMENT CLAIMS AND ON DEFENDANTS' COUNTERCLAIMS FOR PATENT INVALIDITY** Date: July 7, 2008 Time: 9:00 a.m. Ctrm: Hon. James Ware

Hennigan, Bennett & Dorman LLP
Lawyers
Los Angeles, California

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Plaintiff Acacia Media Technologies Corporation ("Acacia") has moved for summary judgment pursuant to Fed.R.Civ.P. 56 on Acacia's patent infringement claims and on defendants' counterclaims for patent invalidity. Upon consideration of the papers filed in support of and in opposition to Acacia's motion for summary judgment, and the arguments of counsel therewith, as well as the relevant papers and pleadings in this action, and finding good cause thereon, this Court GRANTS Acacia's motion.

The following claims are asserted by Acacia against one or more defendants in these MDL proceedings: Claims 41, 45, and 46 of the '992 patent; Claims 17-19 of the '863 patent; Claim 11 of the '720 patent; and Claims 1-42 of the '702 patent (the "Currently-Asserted Claims").

There is no dispute among the parties that all of the Currently-Asserted Claims are invalid, based upon the Court's patent claim constructions:

- On April 4, 2008, Acacia stipulated (Exhibit 8 to Block Decl.)[1] that claims 41, 45, and 46 of the '992 patent, claims 17-19 of the '863 patent, claim 11 of the '720 patent, and claims 1-42 of the '702 patent, among other claims, are invalid based on the Court's determination that "identification encoder" and "sequence encoder" are indefinite, based on the Court's construction of "transmission system" as requiring an "identification encoder," and based on the Court's construction of "central processing location" as requiring a "transmission system";

- Defendants previously filed a motion for summary judgment that claims 1-42 of the '702 patent are invalid based on the Court's determination that "identification encoder" and "sequence encoder" are indefinite.[2] (Exhibit 4);

- Acacia previously filed a motion for summary judgment that claims 1-42 of the '702 patent are invalid based on the Court's determination that "identification encoder" and "sequence encoder" are indefinite.[3] (Exhibit 5);

- On March 28, 2008, defendants wrote to Acacia (Exhibits 6 and 7) explaining their intention to file certain summary judgment motions. On April 4, 2008,

[1] All references to Exhibits in this Order are to those attached to the Declaration of Alan P. Block.

[2] The Court denied defendants' motion without prejudice to defendants renewing the motion once claim construction is completed.

[3] The Court denied Acacia's motion without prejudice to Acacia renewing the motion once claim construction is completed.

> Acacia responded (Exhibit 9) by stating that it would not oppose defendants' motions for summary judgment that claims 41, 45, and 46 of the '992 patent, claims 17-19 of the '863 patent, claim 11 of the '720 patent, and claims 1-42 of the '702 patent are indefinite based on the Court's determination that "identification encoder" and "sequence encoder" are indefinite, based on the Court's construction of "transmission system" as requiring an "identification encoder," and based on the Court's construction of "central processing location" as requiring a "transmission system."

Accordingly, the Court finds that all of the Currently-Asserted Claims are invalid as being indefinite under 35 U.S.C. § 112, ¶ 2, based on the Court's constructions:

- Claims 1-42 of the '702 patent are invalid, based on the Court's determinations in its 2nd Claim Construction Order ("CCO") that the claim terms "sequence encoder" (which appears in claims 1-26, 32, and 33 of the '702 patent) and "identification encoder" (which appears in claims 1-42 of the '702 patent) are indefinite under 35 U.S.C. § 112, ¶ 2. (2nd CCO, at 18);

- Claims 41, 45, and 46 of the '992 patent and claims 17-19 of the '863 patent, which require a "transmission system," are invalid as being indefinite, based on:

  (1) the Court's constructions of the term "transmission system" to mean the "configurable, interconnected, assemblage of components labeled and described in the specification as 'transmission system 100,' a detailed block diagram of which is shown in Figures 2a and 2b" (6th CCO, at 11:15-18);

  (2) the Court's statement that Figure 2a includes a component entitled "identification encoding process 112" and stated that the specification describes a component of the "transmission system 100" called the "identification encoder 112" (6th CCO, at 9:1-7); and

  (3) the Court's determination that the term "identification encoder" is indefinite; and

- Claim 11 of the '702 patent is invalid as being indefinite based on:

  (1) the Court's construction of the term "central processing location" to mean "a single transmission system, as previously defined, from which compressed, digitized data representing a complete copy of at least one item of audio/video information, is transmitted at a non-real time rate to at least one of a multiple of local distribution systems" (4th CCO, at 6:18-21);

(2) the Court's construction of "transmission system" as requiring an "identification encoder"; and

(3) the Court's determination that the term "identification encoder" is indefinite.

Additionally, the parties have entered into two covenant not to sue stipulations and orders thereon, which the Court has now entered, relating to claims initially asserted by Acacia against one or more defendant, but which have since been withdrawn by Acacia. In one Stipulated Covenant Not to Sue; Order Thereon (Exhibit 2), Acacia provided defendants with a covenant not to sue on claims 19-22, 23, 24, 42-44, 47, 48, 49, 51, 52, and 53 of the '992 patent; claims 2 and 5 of the '275 patent; claims 14-16 of the '863 patent; and claims 4 and 6-8 of the '720 patent. In the other Covenant Not to Sue; Order Thereon (Exhibit 3), Acacia provided the Internet defendants with a covenant not to sue on claims 1-18 of the '992 patent. Although the claims identified in the covenants not to sue were initially asserted by Acacia, these claims are no longer being asserted by Acacia against any defendant in these MDL proceedings and no defendant can be liable to Acacia on any of claims, as stated in the Court Order associated with each stipulated covenant not to sue.

As each of the claims are either indefinite, and therefore invalid, based on the Court's constructions, or the subject of a covenant not to sue, Acacia is entitled to judgment, as matter of law, in favor of defendants on Acacia's patent infringement claims and in favor of defendants on their invalidity counterclaims.[4] *See, e.g., Datamize, LLC v. Plumtree Software, Inc*., 2004 U.S. Dist. LEXIS 28382, *26-27 (N.D. Cal. 2004), *affirmed*, 417 F.3d 1342 (Fed. Cir., 2005); Fed.R.Civ.P. 56(c) ("[t]he judgment sought should be rendered if the pleadings, the discovery and the disclosure materials on file, and any affidavits show that there is no genuine issue as to any material fact and that the movant is entitled to judgment as a matter of law.")

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[4] Although Acacia filed this motion for summary judgment seeking judgment in defendants' favor, Acacia's motion is not a waiver of any right to object to or appeal any of the Court's claim constructions set forth in any of its six claim construction orders, Acacia having expressly preserved such rights. (See, Acacia's Motion, at 2:15-19 and n 1 at page 4).

IT IS SO ORDERED AND ADJUDGED that:

1. Judgment is entered in favor of each and every defendant in these MDL proceedings on each and every one of Acacia's claims for patent infringement based on: (i) the Court's determination that all of the Currently-Asserted Claims are invalid as being indefinite based on the Court's claim constructions; and (ii) the Stipulated Covenants Not to Sue and Orders Thereon; and
2. Judgment is entered in favor of each and every defendant to these MDL proceedings on each and every one of defendants' counterclaims for patent invalidity based on: (i) the Court's determination that all of the Currently-Asserted Claims are invalid as being indefinite based on the Court's claim constructions; and (ii) the Stipulated Covenants Not to Sue and Orders Thereon.

DATED: ______________________________

The Honorable James Ware
United States District Judge

Presented by:

By /S/ Roderick G. Dorman
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PROOF OF SERVICE-UNITED STATES DISTRICT COURT

STATE OF CALIFORNIA,)
) SS.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action; my business address is 865 South Figueroa Street, Suite 2900, Los Angeles, California 90017.

On **June 17, 2008**, I served a copy of the within document(s) described as **[PROPOSED] ORDER GRANTING PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S MOTION FOR SUMMARY JUDGMENT PURSUANT TO FED.R.CIV.P. 56 ON ACACIA'S PATENT INFRINGEMENT CLAIMS AND ON DEFENDANTS' COUNTERCLAIMS FOR PATENT INVALIDITY** on the interested parties in this action by transmitting via United States District Court for the Northern District of California Electronic Case Filing Program the document listed above by uploading the electronic files for each of the above listed document(s) on this date, addressed as set forth on the attached Service List.

The above-described document was also transmitted to the parties indicated below, by Federal Express only.

Chambers of the Honorable James Ware Attn: Regarding Acacia Litigation 280 South First Street San Jose, CA 95113 ***3 copies***	

I am readily familiar with Hennigan, Bennett & Dorman LLP's practice in its Los Angeles office for the collection and processing of federal express with Federal Express.

Executed on **June 17, 2008**, at Los Angeles, California.

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

/S/ Carol S. Yuson
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